

## Message Text

CONFIDENTIAL

PAGE 01 STATE 208095

65

ORIGIN OES-04

INFO OCT-01 ARA-06 ISO-00 FEA-01 ACDA-05 CIAE-00 INR-07

IO-10 L-03 NSAE-00 NSC-05 EB-07 NRC-05 DODE-00 SP-02

SS-15 EUR-12 /083 R

DRAFTED BY OES/NET/IM:DHOYLE

APPROVED BY OES/NET/IM:MPROCHNIK

ERDA - J. GARRETT

S/P - J. KAHAN

ARA/BR - R. ELTZ

----- 063324

P 022102Z SEP 75

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA PRIORITY

INFO AMCONSUL RIO DE JANEIRO PRIORITY

C O N F I D E N T I A L STATE 208095

E.O. 11652: GDS

TAGS: TECH, BR

SUBJECT: ENRICHED URANIUM FOR BRAZIL

REF: BRASILIA 7355

1. ANGRA II CONDITIONAL ENRICHMENT CONTRACT CALLS FOR INITIAL DELIVERY OF ENRICHED URANIUM ON JULY 1, 1980 AND ANGRA III CONTRACT ON JULY 1, 1981. PRESENT FIRM URENCO PLANS ARE TO HAVE A TWO MILLION SEPARATIVE WORK UNIT (SWU) CAPACITY IN OPERATION BY 1982, BUT ALL OF THIS CAPACITY IS PRESENTLY UNDER FIRM CONTRACT. URENCO HAS STATED THAT ADDITIONAL CAPACITY CAN BE ADDED WITH A FIVE-YEAR LEAD TIME AND THAT THEY PLAN TO HAVE A TEN MILLION SWU CAPACITY BY 1985. ON THE STRENGTH OF THE FIVE-YEAR LEAD TIME, IT WOULD APPEAR THAT URENCO IS A POTENTIAL SUPPLIER FOR ANGRA II AND III IF EXPANSION WERE BEGUN IMMEDIATELY;  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 208095

HOWEVER, THERE ARE INDICATIONS THAT URENCO IS HAVING

DIFFICULTY IN RAISING THE NECESSARY CAPITAL FOR FURTHER EXPANSION AT THIS TIME AND IT IS DOUBTFUL THAT THE SMALL INCREMENT OF CAPACITY INVOLVED WOULD JUSTIFY AN ACCELERATION OF CAPACITY EXPANSION EXCLUSIVELY FOR BRAZILIAN NEEDS.

2. ASSESSMENT OF USSR ENRICHMENT CAPABILITIES IS CONSIDERABLY MORE DIFFICULT. ALTHOUGH WE HAVE A FAIR IDEA OF USSR ENRICHMENT CAPACITY, WE HAVE LITTLE INFORMATION ON EXISTING COMMITMENTS (INCLUDING INTERNAL AND OTHER BLOC NEEDS) OR ON POSSIBLE EXPANSION PLANS. IT IS OUR EDUCATED GUESS, HOWEVER, THAT THE USSR COULD PROVIDE THE NEEDED ENRICHMENT SERVICES FOR ANGRA II AND III, AT LEAST FOR THE EARLY YEARS OF OPERATION UNTIL ALTERNATIVE SOURCES DEVELOPED. THIS ASSUMES THAT THE RELEVANT ENRICHMENT SERVICES CONTRACTS WERE ENTERED INTO IN THE NEAR FUTURE, OTHERWISE OTHER CUSTOMERS MAY TAKE IN THE INTERIM REMAINING UNCOMMITTED USSR CAPACITY.

3. IT IS OUR UNDERSTANDING THAT ENRICHMENT CAPACITY FROM THE FRENCH-CONTROLLED EURODIF ENRICHMENT PLANT ALREADY IS UNDER CONTRACT. A POSSIBLE SECOND EURODIF PLANT IS BEING DISCUSSED BUT IT WOULD NOT BE ON-STREAM IN TIME TO MEET THE ANGRA II AND III SCHEDULED DELIVERIES.

4. ALTHOUGH THIS ANALYSIS WOULD APPEAR TO LEAVE THE USSR AS THE ONLY SERIOUS "COMPETITOR" TO THE U.S. FOR FUELING THE ANGRA II AND III REACTORS, IT SHOULD BE RECOGNIZED THAT THE ENRICHMENT NEEDS FOR TWO REACTORS OF THIS SIZE ARE RELATIVELY SMALL AND THAT THERE PROBABLY WILL BE AT ANY GIVEN TIME SOME LIMITED AVAILABILITY OF ENRICHED URANIUM TO SUCH NATIONS AS THE FRG AND FRANCE ON A "SPOT" BASIS (IN CONTRAST TO LONG-TERM SUPPLY). IF THERE WERE AN ECONOMIC OR POLITICAL INCENTIVE TO MAKE SUCH MATERIAL AVAILABLE TO BRAZIL, THEN IT MIGHT BE POSSIBLE TO TIDE ANGRA II AND III OVER THE INITIAL PERIOD OF OPERATION UNTIL A LONG-TERM SUPPLY (INCLUDING THE POSSIBILITY OF AN INDIGENOUS CAPABILITY BASED ON THE NOZZLE PROCESS) COULD BE DEVELOPED. OF COURSE, AN ARRANGEMENT OF THIS NATURE WOULD NOT GIVE BRAZIL AT THIS TIME THE LONG-TERM ASSURANCE OF ADEQUATE ENRICHMENT SUPPLY WHICH IT PROBABLY DESIRES. ROBINSON  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 208095

CONFIDENTIAL

NNN



## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** URANIUM, NUCLEAR AGREEMENTS, NUCLEAR REACTORS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 SEP 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE208095  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** DHOYLE  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750302-1067  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750991/aaaadcxx.tel  
**Line Count:** 107  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN OES  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 BRASILIA 7355  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04 SEP 2003 by CunninFX>; APPROVED <01 DEC 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ENRICHED URANIUM FOR BRAZIL  
**TAGS:** TECH, BR, US  
**To:** BRASILIA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006